

**Europe Rural Development Tour  
German Marshall Fund Remarks  
July 8, 2008**

**Thomas C. Dorr  
Under Secretary for Rural Development**

**Good Afternoon. It is a privilege to be here with you today. If our group were a bit smaller, I'd take the time to introduce the American delegation that is with us today. It is composed of a number of agriculture and rural policy elected leaders. Unfortunately there are a few too many of us for that.**

**So let me say simply that our hope ... in the course of our visits and talks over the next several days ... is that we might engage in a direct and constructive dialogue ... farmer to farmer, community leader to community leader, at a grassroots level ... to identify common issues, common concerns, and common approaches to the problems and opportunities confronting rural America and rural Europe today.**

**I've had the opportunity over the last couple of years to participate in several forums arranged by the German Marshall Fund. The GMF does**

**an outstanding job in facilitating dialogue, and on behalf of our entire delegation, I'd like to express our thanks for its support for this venture.**

**I'd also like to recognize and thank Deputy Commissioner Morino for her participation. When she and I met, it very quickly became apparent that we shared a common view of the new potential of rural. We both recognize that things have changed ... that globalization ... the emergence of new markets ... and technology, especially the internet and renewable energy ... have opened the doors to new opportunity.**

**And we both recognize that this challenges the assumptions and models that have defined rural and agricultural policy in the U.S. since the 1930's and in the international context since the Second World War.**

**That does not mean we necessarily agree on everything. There are important differences between the United States and Europe. National circumstances and strategies may differ.**

**There are important differences, for example, on the acceptance of new technology such as genetically modified agricultural products ... or**

**openness to markets ... or in our understanding of sustainability and our approaches to environmental protection.**

**Those differences clearly do exist ... and they will continue to exist ... and I would submit to you that this is a good thing, not a bad thing because it means we will have a continued opportunity to observe and learn from each other. And that's a two-way street well worth traveling.**

**This, in fact, is why we are here. We're living in an era of tremendous change. Agriculture, rural America, and rural Europe are being transformed, and old policy models frankly need to conform to the change.**

**This isn't an abstraction, at least not to me. I'm a lifelong farmer from the State of Iowa. Until I came to Washington in 2001 to work for President Bush, I had spent virtually my entire adult life raising corn, soybeans, and livestock. For the past 30 years I've been a close student of farm policy. I've read most every title of every Farm Bill up through today.**

**I've watched the evolution of policy ... not only in the United States but also the development of the Common Agricultural Policy in Europe, the evolution of GATT and the WTO, and the growth both in global commodities markets and in political pressures for protectionism. These old policy models have had a long run.**

**But today we are confronted with a new situation. We won the Cold War. Since the fall of the Berlin Wall, nearly three billion people have joined the world market system. Hundreds of millions of people are joining the global middle class. Expectations are rising. Dietary standards are rising. Agricultural demand is rising. In the U.S. farm exports, farm incomes, and farm equity are all at a record high.**

**In agriculture, we anticipated much of this increased demand for food. American farmers have been export-oriented ever since the pioneers in the Old Northwest, 200 years ago, started floating their corn ... in the form of bourbon whiskey ... downriver to New Orleans for sale to the world. American farmers take feeding the world as a birthright.**

**What we failed to anticipate, however, was the remarkable surge in global energy demand as important parts of the Third World, led of course by India and China, began to achieve quite remarkable growth.**

**Rising demand has pushed energy prices to obviously painful levels. But markets adjust. Current energy prices are calling new resources into play. And because renewable energy is disproportionately rural energy, this is an historic opportunity for rural producers.**

**At the same time, technology is expanding our horizons across all sectors of the economy. This is true everywhere ... not just in rural America and rural Europe by any means. But for rural areas, the transition to a knowledge based economy ... especially given the impact of broadband and distributed computing ... levels the playing field.**

**These are enormous changes. They are much larger than I can address in a few minutes today. In fact, we are still groping for an appropriate language in which to describe them ... the “knowledge economy” is a start but it probably doesn’t do full justice to the resiliency, robustness, and creativity of today’s networked, adaptive, and almost instantly responsive economic system.**

**For rural America, this new future is bright. President Bush, in fact, captures this new vision as well as anyone. As he puts it, this is a world in which freedom is recognized as an inherent right of every person.**

**It's a world in which we accept and embrace opportunity ... instead of throwing up barriers because opportunity implies change and that threatens old ways of doing business.**

**And it's a world in which we give full scope to what the great economist, the late Julian Simon, called the "greatest resource," which is the power of human creativity unleashed by free markets.**

**This new world is still coming into focus, but at USDA Rural Development we've worked hard over the last six or seven years to get ready. At USDA, the entire view of what rural development is about has changed. We recognize that 60 million people live in rural America and 58 million of them don't farm. The new opportunities in rural America are driven by technology, renewable energy, and economic diversification ... we're not primarily a commodities economy, and haven't been for a long time.**

**We also recognize that the ancient urban-rural divide is vanishing. With modern technology, rural communities can deliver quality education and health care. With a modem and the internet, every rural business has a window on the world.**

**To an extent never before realized in human history, one can live locally and compete globally. Rural areas can leverage their advantages ... lower costs ... a higher quality of life ... a clean environment ... to empower people to live where they want, not where they are forced to live.**

**These opportunities are there for the taking, if one knows where to look. Our purpose in this trip ... and in our previous Rural Development Opportunity Tours ... is to identify and celebrate success stories and begin to draw a roadmap for others to follow.**

**In previous years we've seen examples such as Viking Range in the heart of the Mississippi Delta ... or a state of the art, computer-driven, internet-based custom machining shop in the heart of Iowa's cornfields ... or the delivery of state-of-the-art medical services via the internet over a network stretching from Colorado to Mississippi to Minnesota to Virginia. These**

**examples can be multiplied hundreds of times over, and we'll visit some more fascinating case studies this week.**

**But to replicate these successes, rural entrepreneurs must be willing to think outside the box. Policymakers must be willing to embrace technology, markets, and change. We must understand sustainability in dynamic, not static, terms ... that is, in ways that do not impede farmers' ability to shift to new crops and new markets.**

**We must recognize that agriculture can and will respond to the world's need for clean, renewable energy ... that we must think in terms of food AND fuel, not food VS. fuel.**

**We must be willing to challenge old orthodoxies ... such as the prejudice that still lingers in some quarters against GMO's, despite years of successful experience with them elsewhere. It's important that we be alert to ... and resist ... backdoor protectionism hiding behind the false front of artificial and arbitrary regulatory barriers.**

**The Uruguay Round opened the door to considerable mischief in this area by licensing a system of voluntary standards that have become the**



**vehicle for a hidden protectionist agenda. It's important that we not repeat that mistake with regard to non-science driven sustainability standards as the world moves to exploit the enormous potential of biofuels and renewable energy.**

**And finally we must sustain and reinvigorate the open dialogue which allows us to share success ... to base policy on sound science and rational economics, not political pressure from special interest groups ... and to harness our greatest resource, the creativity and hard work and ability of free people in free markets to build a better future for themselves and their children.**

**That is the challenge in the United States. It is the challenge in Europe as well. We have much to learn from each other, and we look forward to exploring these questions with you this week. Thank you.**